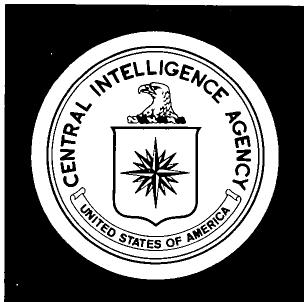


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The President's Daily Brief

September 10, 1976

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FOR THE PRESIDENT ONLY

LATE ADDITION TO
JAPAN-USSR ITEM

Tokyo has apparently decided to turn control of the Soviet MIG-25 aircraft over to the Japanese Defense Agency. Cabinet legal experts are said to be working out a rationale for this action.

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CHINA: *The Chinese leadership has handled the immediate problems posed by Mao's death-- funeral arrangements and mourning ceremonies--quietly and efficiently. The larger issue of a new leadership alignment will take much longer to resolve fully and may well be an acrimonious process.*

Both of the principal contending political factions in the leadership have been weakened in the past year.



Hua Kuo-feng

Within hours after Mao's death yesterday, Peking issued a lengthy and carefully worded obituary notice that mentioned the need to continue Mao's revolutionary foreign policy line, a codeword for the opening to the US.

The party Central Committee, which apparently was meeting in late August, will probably reconvene after Mao's funeral for the first round of political wrangling. Peking has already shown signs of sensitivity about revealing who stands where in the hierarchy. The funeral committee, announced yesterday, listed the Politburo in the Chinese equivalent of alphabetical order.

The more conservative of them, with the loss of Chou En-lai and Teng Hsiao-ping, lack a strong and widely respected leader around whom to rally. Defense Minister Yeh Chien-ying, in his late 70s, is now the leader of this group. His age precludes his being a strong contender for the party leadership, but he will continue to exercise a moderating influence as long as he lives.

Premier Hua Kuo-feng is not a charter member of this group, although he seems to lean more toward the conservatives than he does toward the left. He has not had time, in his brief tenure as premier and first vice chairman of the party, to establish solid ties or a wide base of support.

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Chang Chun-chiao

Despite their respective weaknesses, both Hua and Chang are likely to make a run for the party leadership.

Lacking a strong leader and with Mao now out of the picture, the moderates may be tempted to try to bring Teng Hsiao-ping back into the political picture. Such a move would be strongly opposed by the left and could well fail.

The current leftist leader, standing committee member Chang Chun-chiao, because of his close identification with the leftist move against Teng earlier this year, is now probably less acceptable than previously to centrists who may have once found him less objectionable than some of his unreconstructed leftist associates. He seemed to be the main challenger to Teng Hsiao-ping for the premiership, but since neither he nor Teng had the overwhelming endorsement of the party needed to rule effectively in the job, Hua Kuo-feng was chosen as an apparent compromise.

Precisely because of their weaknesses, both men and any other civilian contenders will have to court the military. In return for their support, military men are in an excellent position to extract major concessions from the civilians. Although civilians of all stripes are wary of allowing the army too much political power, the divisions among them could allow the army to exploit those differences for its own ends.

Civilians will be on guard against a possible military coup attempt. We believe an attempted military coup is most unlikely.

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The division of labor among the leadership is probably going to be a difficult process and subject to considerable horse trading.

Should Premier Hua end up as titular head of the party, for example, he would be under pressure to relinquish the premiership. One of the many problems the left had with Teng Hsiao-ping was that he not only acted for Chou En-lai as premier but seemed also to be in charge of the party's day-to-day affairs.

There are enough ambitious men in the leadership who have waited a long time for their chance in the sun that any attempt to consolidate the party leadership and the premiership into the hands of one person would be strongly opposed.

Formal discussion of the parceling out of the Maoist legacy will almost certainly be postponed until after the memorial service on September 18. No decisions may in fact be taken for some time, and there are many factors, internal and external, which drive the current members of the Politburo to attempt to work together. The leadership is fundamentally too divided and inherently unstable, however, to remain in harness together indefinitely.

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JAPAN-USSR: Friction between Japan and the USSR increased yesterday over the handling of the MIG-25 when the Soviets delivered a harshly worded protest.

Ambassador Polyansky delivered a written statement to Deputy Foreign Minister Arita shortly before Soviet defector Belenko left for the US. The protest:

--noted that Japan had not yet replied to repeated Soviet demands for prompt return of the pilot and plane;

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--termed Belenko's arrival in Japan the result of an emergency landing and his request for asylum a Japanese fabrication;

--accused Japanese authorities of forcibly moving Belenko to Tokyo;

--alleged that denial of Soviet access to Belenko violated bilateral consular agreements;

--described these Japanese actions as unfriendly to the Soviet Union; and

--warned Tokyo not to be influenced by any third countries.

In response, Arita affirmed that Belenko would be allowed to seek asylum in the US; that a Soviet official could see Belenko prior to his departure (a meeting was subsequently held); and "took note" of Moscow's desire for an early return of the plane. Arita reminded Polyansky that Tokyo wanted a satisfactory explanation of the violation of Japan's territorial airspace.

The Japanese press, coached by Foreign Ministry sources, is stressing the theme that in view of the violation of Japanese airspace, Moscow should take a conciliatory attitude before negotiations begin on return of the plane. A Foreign Ministry spokesman has been quoted as saying that once talks with the Soviets are under way, the plane probably could be returned in about a month.

Political infighting over Prime Minister Miki's tenure in office does not seem to have affected Tokyo's handling of the MIG-25 incident.

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The incident, in fact, could contribute to a continuation of the political impasse. Miki had earlier threatened to force a showdown with his challengers at a cabinet meeting today. The need to address the Soviet problem, however, and the inclination of both Miki and his opponents to avoid an irrevocable step in their political competition should serve to maintain the deadlock a while longer.

The Soviets may be attempting to use the incident to put the Japanese on the defensive regarding relations between the USSR and Japan.

The objective would be to make it that much harder for Tokyo to move ahead with peace treaty negotiations with China or to renew pressure on the northern territories issue. Furthermore, the MIG-25 incident came at a time when the Soviets had been making some gestures toward breathing fresh life into economic dealings with Japan and will probably put these efforts on the shelf for the time being.

The Soviets evidently are putting out phony stories in Europe that Tokyo will be acting aberrantly if it makes the MIG-25 available to the US. Moscow apparently has some hope of getting the plane back and of persuading Japan to limit its availability to the US. Soviet "journalist" Victor Louis has a story in a French newspaper asserting that the normal "usage" is to forgo passing such equipment to US experts.

In trying to establish this "principle" of proper behavior, the Soviets may hope to salvage something out of the MIG-25 affair that can be put to use in the future.

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FOR THE PRESIDENT ONLY

LEBANON-SYRIA: *The principal Lebanese Christian leaders have completed their talks with President Asad. We have no details as yet on the substance of the latest round of talks.*

The two sides appear, however, to have agreed to postpone any political or military initiatives until after the transfer of power to president-elect Sarkis on September 23.

Shelling is continuing in all of the usual trouble spots, but no significant gains have been made on any side.

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USSR: *We now estimate 1976 Soviet grain production at 200 million metric tons, up 5 million tons from our early August estimate. However, the size of the final harvest remains uncertain.*

A crop of 200 million tons would exceed last year's by some 60 million tons and would be second only to the record Soviet crop of 222.5 million tons in 1973.

The Department of Agriculture currently estimates the Soviet crop at 205 million tons.

Weather conditions during the balance of the harvest will play an abnormally large role in determining the size and quality of the crop, however. Cool, wet weather in much of European Russia throughout the summer has delayed harvesting and has made a large share of the cereal grains unsuitable for flour milling.

If favorable grain crop prospects hold, Soviet grain purchases should not exceed 14 million tons, a little more than half the amount bought in 1975. Of this amount, about 9 million tons will come from the US and the remainder from Canada, Australia, Brazil, and New Zealand. Moscow is still obligated to take 1.6 million tons of US grain to meet the 6-million-ton minimum stipulated under the first year of the US-USSR grain agreement.

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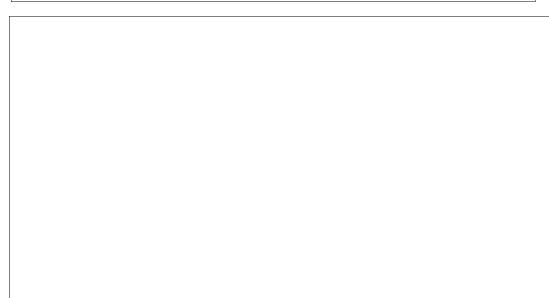
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Soviet Union
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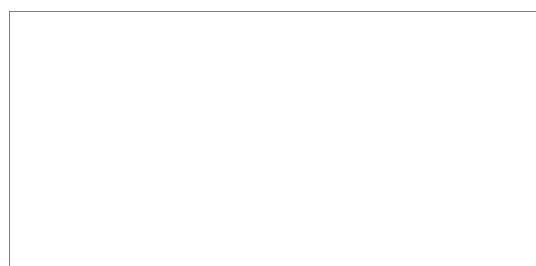
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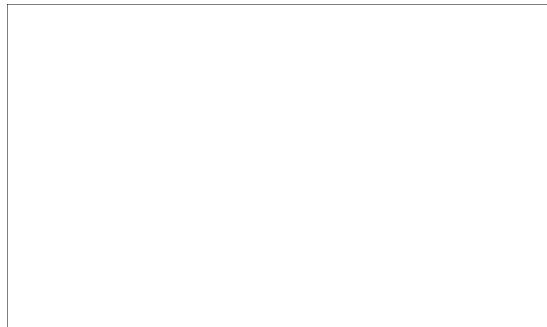


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